

Audit Report

Washtenaw County Health Department
WIC Program

October 1, 2014 – September 30, 2015



Bureau of Audit, Reimbursement, and Quality Assurance
Quality Assurance and Review
June 2016



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

NICK LYON
DIRECTOR

June 7, 2016

Ellen Rabinowitz, Acting Health Officer
Washtenaw County Public Health Department
555 Towner Avenue – P.O. Box 915
Ypsilanti, Michigan 48197-0915

Dear Ms. Rabinowitz:

Enclosed is our final report from the Michigan Department of Health and Human Services audit of the Washtenaw County Health Department WIC Program and WIC Breastfeeding Program for the period October 1, 2014 through September 30, 2015.

The final report contains the following: description of agency; funding methodology; purpose; objectives; scope and methodology; conclusions; and Statements of Grant Program Revenues and Expenditures. No exceptions were noted during our review.

Thank you for the cooperation extended throughout this audit process.

Sincerely,

A handwritten signature in blue ink that reads "Debra S. Hallenbeck".

Debra S. Hallenbeck, Manager
Quality Assurance and Review
Bureau of Audit, Reimbursement and Quality Assurance

Enclosure

cc: Stan Bien, Director, WIC Division
Pam Myers, Director, Bureau of Audit, Reimbursement and Quality Assurance
Brenda Champion, Auditor, Quality Assurance and Review
Mary Conley, Accountant, Washtenaw County Public Health Department

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DESCRIPTION OF AGENCY

The Washtenaw County Health Department (Health Department) is governed under the Public Health Code, Act 368 of 1978. The Health Department is a Special Revenue Fund of Washtenaw County, and the administrative office is located in Ypsilanti, Michigan. The Health Department operates under the legal supervision and control of the Board of Commissioners of Washtenaw County. The Health Department provides community health program services to the residents of Washtenaw County.

FUNDING METHODOLOGY

The Health Department services are funded from local appropriations, fees and collections, and grant programs. The Michigan Department of Health and Human Services (MDHHS) provided the Health Department with grant funding monthly based on Financial Status Reports in accordance with the terms and conditions of each grant agreement and budget. The WIC Program was funded by MDHHS Grant Funds, Fees and Collections, and Other Local Funds. Grant funding from MDHHS for the WIC Program is federal funding under federal catalog number 10.557.

PURPOSE AND OBJECTIVES

The purpose of this audit was to assess the WIC Program and WIC Breastfeeding Program financial reporting, and to determine the MDHHS share of costs. The following were the specific objectives of the audit:

1. To assess the Health Department's effectiveness in reporting their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles.
2. To determine the MDHHS share of costs for the WIC Program and WIC Breastfeeding Program in accordance with applicable MDHHS requirements and agreements, and any balance due to or due from the Health Department.

SCOPE AND METHODOLOGY

We examined the Health Department's records and activities for the fiscal period October 1, 2014 to September 30, 2015. We performed our review procedures in May 2016. Our review procedures included the following:

- Reviewed the most recent Health Department Single Audit report for any WIC Program concerns.
- Reviewed the completed Subrecipient Questionnaire.
- Reconciled the WIC Program and WIC Breastfeeding Program Financial Status Reports (FSR's) to the accounting records.
- Reviewed a sample of payroll expenditures.
- Tested a sample of expenditures for program compliance and adherence to policy and approval procedures.
- Reviewed indirect cost and other cost allocations for reasonableness, and an equitable methodology.
- Reviewed WIC equipment inventory and general Health Department equipment inventory records.

Our audit did not include a review of program content or quality of services provided.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

FINANCIAL REPORTING

Objective 1: To assess the Health Department's effectiveness in reporting their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles.

Conclusion: The Health Department reported their WIC Program and WIC Breastfeeding Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal standards, and generally accepted accounting principles. We identified no financial reporting exceptions.

MDHHS SHARE OF COSTS AND BALANCE DUE

Objective 2: To determine the MDHHS share of costs for the WIC Program and WIC Breastfeeding Program in accordance with applicable MDHHS requirements and agreements, and any balance due to or due from the Health Department.

Conclusion: The MDHHS obligations under the WIC Program and WIC Breastfeeding Program for fiscal year ended September 30, 2015, were \$941,925 and \$106,471, respectively. The attached Statements of MDHHS Grant Program Revenues and Expenditures show the budgeted, reported, and allowable costs. The audit made no adjustments affecting the WIC Program or WIC Breastfeeding Program funding.

**Washtenaw County Health Department
WIC Supplemental Food Program
Statement of MDHHS Grant Program Revenues and Expenditures
10/1/14 - 9/30/15**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$941,925	\$941,925 ¹		\$941,925
Fees & Collections - 3rd Party	\$29,728	\$24,671		\$24,671
Local Funds - Other	\$159,947	\$160,779		\$160,779
TOTAL REVENUES	\$1,131,600	\$1,127,375	\$0	\$1,127,375
EXPENDITURES:				
Salary & Wages	\$610,870	\$526,234		\$526,234
Fringe Benefits	\$340,316	\$310,656		\$310,656
Contractual	\$0	\$0		\$0
Supplies & Materials	\$18,299	\$19,620		\$19,620
Travel	\$10,000	\$8,511		\$8,511
Communication	\$5,000	\$5,323		\$5,323
County-City Central Services	\$124,802	\$123,574		\$123,574
Space Costs	\$0	\$0		\$0
Other	\$913	\$647		\$647
Indirect Costs	\$146,464	\$129,869		\$129,869
Other Costs Distributions	(\$125,064)	\$2,941		\$2,941
TOTAL EXPENDITURES	\$1,131,600	\$1,127,375	\$0	\$1,127,375

¹ Actual MDHHS payments.

**Washtenaw County Health Department
WIC Breastfeeding Program
Statement of MDHHS Grant Program Revenues and Expenditures
10/1/14 - 9/30/15**

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$106,471	\$106,471 ¹		\$106,471
Local Funds - Other	\$11,321	\$18,233		\$18,233
TOTAL REVENUES	\$117,792	\$124,704	\$0	\$124,704
EXPENDITURES:				
Salary & Wages	\$72,339	\$79,063		\$79,063
Fringe Benefits	\$14,641	\$11,848		\$11,848
Contractual	\$0	\$0		\$0
Supplies & Materials	\$367	\$487		\$487
Travel	\$1,700	\$1,015		\$1,015
Communication	\$0	\$0		\$0
County-City Central Services	\$14,585	\$13,863		\$13,863
Space Costs	\$0	\$0		\$0
Other	\$0	\$0		\$0
Indirect Costs	\$13,393	\$14,599		\$14,599
Other Costs Distributions	\$767	\$3,829		\$3,829
TOTAL EXPENDITURES	\$117,792	\$124,704	\$0	\$124,704

¹ Actual MDHHS payments.